



MARKET DEMANDS CONTINUOUS INNOVATION

Sustainability, greater conservation efficiency and connectivity are key issues.



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Electronic Engineer with an MBA from the USA's Tuck School of Business, Luis Felipe Dau has been in Embraco for 10 years, being its president since February 2016. Prior to this, he held other important positions in the company in various areas, both in Brazil and abroad.

HOW DO YOU SEE THE CURRENT REFRIGERATION MARKET?

Over the past two years, the refrigeration market in Brazil has had a sharp slowdown, related to the economic downturn in the country. Additionally, the increase in costs has also put pressure on profitability and we've had to invest in efforts to gain productivity and product repositioning. Other Latin American countries have been under the same pressure, some even as a result of the Brazilian recession, and others, by political changes, like Argentina for example.

HOW DOES THE REGION STAND RELATIVE TO THE REST OF THE WORLD?

The Latin American market represents 5% to 7% of the global demand for compressors. In relation to energy regulation, for example, the region still has important steps to take when compared to large economies such as China, the United States and Euro zone countries.

WHAT ARE THE TRENDS FOR THE COMING YEARS?

Variable speed compressors are a current reality which will accelerate in the near future. We already see movements in the Asian and European markets, with on-off compressors converting to this technology. The motivation is the growing demand for refrigeration systems with higher energy efficiency, lower noise and those that preserve food longer. In addition, the reliability of these compressors is also a differential for both manufacturers and consumers.

COULD YOU HIGHLIGHT OTHER INNOVATION ASPECTS?

Connectivity is another relevant trend, closely related to the Internet of Things. In the case of refrigerators, new features will be developed to connect the user increasingly more with the equipment, bringing advantages in food preservation, equipment maintenance, reduction of problems by product stock-outs, among others.

HOW WILL SUSTAINABILITY REQUIREMENTS IMPACT THE SECTOR?

The use of natural refrigerants is on the agenda worldwide, both for use in household refrigeration, as well as for commercial. Discussions related to the safety of production lines, as well as the products themselves are ongoing. The shift towards using these gases should be gradual and will involve investments to convert lines and equipment. The United States, for example, is moving forward in the legal discussion of this issue, and soon, may require all household and light commercial refrigeration products to use natural fluids.

IS EMBRACO READY FOR THIS NEW REALITY?

Embraco is prepared to meet future legislation and best practices demanded by the market. For over 20 years, we have had a robust compressor portfolio for natural refrigerants, both for commercial and domestic use, avoiding negative effects to the ozone layer. Besides the environmental benefits, systems with natural refrigerants help significantly in reducing energy consumption when compared to synthetic fluids.

HOW DO YOU FORESEE THE SCENARIO FOR REFRIGERATION EQUIPMENT MANUFACTURERS?

Manufacturers are passing through an extremely competitive moment, especially in markets with no significant growth. Some company acquisitions and mergers are occurring around the world.

The biggest challenge I see in the industry is that of differentiation. Researching in detail consumer behavior and translating it into attributes that this consumer values, market-by-market, is the key factor for success. The refrigeration value chain will have to reinvent itself and innovate a lot. Whoever does this best will be the winner in our industry.

HOW DO YOU SEE THE SAME SCENARIO FOR TECHNICAL ASSISTANCE PROFESSIONALS?

When the economy is down, it's believed that the aftermarket and technical assistance market slows down to a lesser degree than the average, following the "repair or buy new" logic, as well as the natural, system replacement factor.

If the market is hot, differentiated service is key to successful growth, both for technical assistance professionals as well as for part and component retailers.

TALKING ABOUT RETAIL, WHAT'S YOUR VISION ABOUT THEIR FUTURE?

In the same direction as equipment manufacturers, the retail market must reinvent itself and offer fast, efficient services, focused on customer needs.

HOW IS EMBRACO PREPARING FOR THE TRANSFORMATIONS THE WORLD WILL PASS THROUGH IN THE UPCOMING YEARS?

The local and global socioeconomic scenario guides our directives and makes us think daily about how we should act given a constantly changing market. We strongly believe in our mission to provide innovative solutions for a better quality of life!

We want to grow in partnership with our customers and in high growth potential markets. Besides the current business, we're seeking to grow through our New Businesses area. Nothing better than to "look outwards" and examine how we can apply new concepts and propose new solutions to customers.

We understand the need for us to stay one step ahead of new market trends, both in household refrigeration and in commercial refrigeration, in order to drive our activities, and therefore add value to our customers and shareholders.

Technology and innovation are in our DNA and will remain being essential for our future, coupled with a very strong ability to quickly adapt to changes that the current market demands.